

## NOTICE OF PROPOSED ACTION

### REFUND VALUE RECEIPT REQUIREMENTS PROPOSED REGULATIONS

#### TITLE 14. NATURAL RESOURCES DIVISION 2. DEPARTMENT OF CONSERVATION CHAPTER 5. DIVISION OF RECYCLING

NOTICE IS HEREBY GIVEN that the Department of Conservation (Department), Division of Recycling (Division) proposes to adopt amendments to the California Code of Regulations (CCR). Commencing with Subchapter 6, Chapter 5, Division 2, Title 14 of the CCR, the Division will propose permanent regulations, after the consideration of all comments, objections or recommendations. The proposed amendments are as follows:

#### Subchapter 6.

#### Article 3. Accounting and Reporting Requirements

#### § 2525 RECORDKEEPING.

Amend Subsection 2525(a): This amendment is necessary to change the refund value receipt requirement for any purchase or donation of empty beverage containers from “fifty dollars (\$50.00) or more in refund value” to “one hundred dollars (\$100.00) or more in refund value”.

Amend Subsection 2525(b): This is necessary to be consistent with the changes made in Subsection 2525(a).

Amend Subsection 2525 Reference: This amendment is necessary to delete an obsolete reference to Public Resources Code §14571.9. Section 14571.9 was repealed from the California Beverage Container Recycling and Litter Reduction Act by SB 1906/Sher (Chapter 731, Statutes of 2000).

INFORMATION IS AVAILABLE UPON REQUEST. Copies of the express terms of the proposed action, the initial statement of reasons and all of the information upon which this proposal is based are available upon request. The rulemaking file is available to the public for review during normal business hours at the Division of Recycling, 801 “K” Street, 19<sup>th</sup> Floor, Sacramento, California. Please contact the agency contact person, Cheryl Brown, at (916) 323-0728. General or substance questions regarding this file may also be directed to Cheryl Brown. The backup agency contact person for this rulemaking file is Eloisa Hernandez, who may be contacted at (916) 327-2757.

SUBMITTING WRITTEN COMMENTS. The written comment period permits any interested person, or their authorized representative, to submit written comments addressing the proposed amendment to the Department. Written comments,

which offer a recommendation and/or objection, or support the proposed amendment, should indicate the amended section to which the comment or comments are directed. Written comments should be sent to the Department and received before the close of the public comment period, no later than 5:00 p.m. on September 6, 2004. Additionally, written comments that do not reference a subsection or section of the proposed action, or are received by the Department after the close of the public comment period, will not be responded to in the rulemaking file. Submit your written comments to: Cheryl Brown, Refund Value Receipt Requirement Proposed Permanent Regulations, Department of Conservation, Division of Recycling, 801 "K" St., MS 19-02, Sacramento, CA 95814. During the 45-day comment period, written comments may also be E-mailed to: [DORRegulations@consrv.ca.gov](mailto:DORRegulations@consrv.ca.gov), or faxed to (916) 327-8668.

**PUBLIC HEARING.** A public hearing has not been scheduled. A public hearing will be held if any interested person, or his or her duly authorized representative, submits a written request for a public hearing to the Department no later than 15 days prior to the close of the written comment period.

**SUBSTANTIAL REVISIONS WILL REQUIRE A RENOTICE.** Following the public comment period, the Department will adopt the regulations without further notice. However, if the Department chooses to substantially alter or revise the proposed regulatory action, a revised notice, called a renote, and the amended version of the proposed text of the regulations will be made available to the public for another public comment period for fifteen (15) days. All persons whose comments were received by the agency during the public comment period, or who requested notification from the agency of the availability of changes to the text of the proposed regulation, will be sent any renotes.

## INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW

Under the existing law, the California Beverage Container Recycling and Litter Reduction Act (Act) encourages recycling of specific beverage containers and reduces litter of these beverage containers along the State's highways. Under this Act, the Department, through the Division, is responsible for administering the Act and protecting the integrity of the California Beverage Container Recycling Fund (Fund).

On January 23, 2004, the Department received a petition from Recycling Services Centers, pursuant to Government Code §11340.6, requesting that the Department undertake a rulemaking proceeding to amend current recycling center recordkeeping regulations. Specifically, the petition requested the refund value receipt requirement dollar amount be increased, as the current dollar level is too low. AB 28 (Chapter 753, Statutes 2003) increased the redemption and refund values from 2.5¢ to 4¢ for beverage containers less than 24 fluid ounces, and from 5¢ to 8¢ for beverage containers that are 24 ounces or more. This change in statute created a dramatic increase in the number of receipts required

to be prepared and maintained by recycling centers. The Department has granted the petition for this rulemaking proceeding.

The regulations proposed in this package will increase the refund value receipt requirement for any purchase or donation of empty beverage containers from “fifty dollars (\$50.00) or more in refund value” to “one hundred dollars (\$100.00) or more in refund value”.

#### AUTHORITY

These regulations are submitted pursuant to the Department’s authority under Public Resources Code Sections, 14530.5 (b) and 14536.

#### REFERENCE

Revisions to California Code of Regulations Title 14, Division 2, Chapter 5, Section 2525 are intended to make more specific Public Resources Code Sections 14537, 14538, 14552, 14575, and 14585.

#### DISCLOSURES REGARDING THE PROPOSED ACTION

Mandate on local agencies and school districts: The Department has determined that adoption of these proposed regulations will not impose any new mandates on local agencies or local school districts.

Cost or savings to any State agency: No savings or additional expenses to state agencies are identified because the implementation of statute is financed by the beverage container recycling program itself.

Costs to any local agency or school district which must be reimbursed in accordance with Government Code §§ 17500 through 17630. The Department has determined that the adoption of these proposed regulations will not impose any additional cost obligations on local agencies or on local school districts.

Other non-discretionary costs or savings imposed upon local agencies: No other non-discretionary costs or savings to local agencies have been identified.

Costs or savings in Federal funding to the State: No costs or savings in Federal funding to the state have been identified.

Significant statewide adverse economic impact directly affecting business including the ability of California businesses to compete with businesses in other states: The Department has determined that no significant impact to California businesses will result from the adoption of this proposed regulatory language. These proposed regulations serve to clarify and make specific existing statutory requirements.

Potential cost impact on private persons or directly affected businesses: The Department is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action. This proposed regulation does not mandate actions upon private persons or businesses, but rather clarifies existing statutory mandates.

Creation or elimination of jobs in California: The Department has determined that the adoption of these regulations will not:

- Create or eliminate jobs within California;
- Create new nor eliminate existing businesses within California;
- Expand businesses currently doing business in California.

Significant effect on housing costs: The Department has determined that the adoption of these regulations will have no significant effect on housing costs.

Effects on small businesses: The Department has determined that the adoption of these proposed regulations will not affect small businesses. These proposed regulations serve to clarify and make specific existing requirements contained in statute. These proposed regulations do not mandate actions upon private persons or businesses, but rather clarifies existing statutory mandates.

## CONSIDERATION OF ALTERNATIVES

The Department must determine that no reasonable alternative that it considers or that has otherwise been identified and brought to the attention of the Department would be more effective in carrying out the purpose for which the action is proposed or would be as effective and less burdensome to affected private persons than the proposed action. The Department has not identified any adverse impacts resulting from these proposed regulations.

## FINAL STATEMENT OF REASONS

A copy of the final statement of reasons may be obtained, when it becomes available, from the agency contact person or backup contact person identified in this notice.

## ACCESSING INFORMATION REGARDING THIS FILE ON THE DEPARTMENT OF CONSERVATION WEBSITE

The text of the proposed regulations, the Notice of Proposed Action, the Initial Statement of Reasons and the Final Statement of Reasons, when available for review, will be on the Department of Conservation website at:  
[www.consrv.ca.gov](http://www.consrv.ca.gov).